



USA Local Office Program Frequently Asked Questions

Give me a short summary of the Local Office Program.

The basics of the program are simple. You run a TenStep branded consulting and training business in your local market. We provide you with the name recognition of our national and growing brand (TenStep) to help you differentiate your company from the crowded mass of companies just like you. We provide you with the TenStep family of products and our services model. You, in turn, pay us a fee to join the network and you pay us a monthly royalty based on the revenue you generate in this business.

The concept of providing a brand and business model in exchange for a monthly royalty payment sounds like a franchise model.

You are correct. We are executing a model of expansion in the United States using all the benefits and successes associated with franchising. As far as we know, we are the only company of our kind using this model in our specific industry, although the franchise concept is old and has proven to be successful in hundreds of other industries. We have set up a new company to run this business for us - TenStep Franchises, LLC.

What is the biggest benefit to joining the Local Office Program?

There are a myriad of small to medium-sized local and regional services firms that provide project management and business process consulting and training. Very few of these companies have methodology products, and none of them has a recognizable brand across the United States. This is the market that we hope to exploit. We want our franchises to be welcomed by local companies as a brand that these companies recognize and trust. Our franchises will have the brands that clients recognize, the services that they need and the range of methodology products that none of our competitors can match.

So, first and foremost you are receiving our brand. This is the biggest advantage with any franchise model.

I understand that the TenStep brand is important. What other benefits do I receive?

You also receive access to content from TenStep, Inc. This includes all of our methodology products (TenStep, PMOStep, LifecycleStep, etc.), our training classes, our consulting services models, etc. Assuming you have the right people, you will be able to teach classes you don't have today, offer consulting services you don't offer today, and bundle our methodology products in value-added ways that you cannot today. Other benefits include:

- Ongoing business coaching
- Access to marketing and advertising material
- An Operating Manual with information on how to run the business
- Access to products and services across the TenStep network
- Franchise conferences
- Much, much, more



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TenStep is definitely better known than my company, but it is not universally recognized. How do you gain more name recognition?

Good point. This is the beauty of this program. One of the major benefits of a franchise model is that we can combine a large pool of funding for common advertising and marketing. For instance, instead of having ten companies each try to build name recognition with limited funding, we combine the purchasing power of the ten companies into one common advertising and marketing pool. This leverages everyone's advertising spending to the benefit of the entire network. As we get more local offices, our advertising pool increases, allowing us to further build the brand, which will attract more people to open Local Offices, which will increase the advertising pool further.

Is this an "official" franchise program or more informal?

This is an "official" franchise program. The franchise business in the US is very regulated, and it is necessary to follow very precise rules. Most of these rules and regulations are designed to protect the franchisee. We have everything in place to support these regulations.

What is the process for starting a TenStep office?

The general process is as follows:

1. You express an interest in our program by completing the online form requesting more information.
2. We send to you a non-disclosure agreement covering proprietary information that we will disclose during the remainder of the application process. You can return by fax or mail.
3. We call you to discuss the program in more detail and answer your preliminary questions.
4. If you and we are still interested in moving forward, you complete a formal application.
5. We send a formal Uniform Franchise Offering Circular (UFOC) as required by the Federal Trade Commission (FTC).
6. We answer additional questions.
7. We review your application and ask you any follow-up questions we require to make sure that you are a good candidate. Please understand that many companies will apply but we will be very selective in terms of who can become a TenStep Local Office.
8. If you and we are both comfortable in moving forward, you sign a formal license agreement.
9. You receive a TenStep Operations Manual and we begin the journey together.



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What is the cost of the program?

Our program works like most others. There is an up-front fee required to join the program and there are monthly royalty fees based on revenue earned. (There are also some minor fees to discuss later.) These are all spelled out in the UFOC so that you will have full knowledge ahead of time. The fees are designed to make sure that that people are serious about running a TenStep Local Office and yet not so much to be a large barrier to joining the program.

Before Becoming a TenStep Franchise

What information do you need to be considered as a TenStep Partner? Could you send us a model business plan?

TenStep, Inc. has a standard template for the Business Plan. There are a number of areas that you should address. These include:

- 1) **Running the business:** What resources will you apply to this business? Who will help run the business? What will your roles be? How much time will you invest? Will this be a full-time job or part-time or you and / members of your staff? Who will be responsible for receiving emails, answering questions, setting license prices, etc?
- 2) **Estimated preparation timeframe:** What is your overall timeframe to creating the website, translating the basic content and starting your business? What is your plan for ongoing translation?
- 3) **Products and services:** What products and services will you offer? Will you sell advertising? Will you sell consulting and training services?
- 4) **Marketing and promotion:** How will you promote and market the TenStep business in your country? Will you publish papers and columns? Will you be sending out a weekly email? How can you leverage your existing customers to sell TenStep licenses? How will you set up your site on the search engines?
- 5) **Estimated revenue:** Do you have any projections for estimated revenues and expenses for this year and the next?

It will be hard for you to determine revenues for the next two years. However, you should target some number of company licenses, consultant licenses, instructor licenses, etc. Based on your current business knowledge, do some revenue projections based on when the business will be launched this year.

Does the Business Plan need to be approved before we sign a license?

Generally TenStep, Inc. needs to approve the Business Plan before we sign the license agreement. However we also reserve the right to sign the license agreement first. In these cases, the franchisee must complete the Business Plan quickly before starting and running your business.

Opening a TenStep Franchise



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You ask for contacts for a Press Release. Who receives the press release?

TenStep sends the press release to any/all customers we have on our database. The Franchisee may choose to find a list of media outlets - the local paper, local magazines, local PMI Chapter, etc. You might find a half-dozen of these to send the press release to. In addition, you should then send to colleagues and companies you know.

TenStep Licenses

What are the prices for various license options?

TenStep, Inc. will share the price list with you as we firm up an agreement. You would use our prices as your basic list price, however you can discount our prices (within reason) to meet your marketplace needs. You need to understand the pricing structure and the various pricing options for our licenses.

Is there a trial period? If so, how long is it?

There is no trial period for our licenses.

Once a company or a person buys the license, when does it expire?

The expiration date varies depending on the type of license. Single user, consultant and instructor licenses last for one year and can be renewed at a reduced price. Company licenses are good forever. However, companies lose updates and access to the premium content libraries if they do not pay the 15% renewal fee. All of our license agreements are posted on our website.

What methods of payment are acceptable?

You can accept payment by credit card, bank transfer, bank check, etc.

What do you mean by the term “rebrand?”

A rebrand license gives a customer the ability to change the TenStep name to their own company name. This option is available for internal use only. A consulting company cannot rebrand our content.

If somebody only wants to use a small portion of the TenStep Project Management Process, do they still need a license?

The content from the TenStep Project Management Process (and all of our other products) is copyright protected and can only be utilized according to the terms and conditions spelled out on the website. If anyone uses our content, they must have a license. It does not matter if they use all our content, 1/3 of our content or one paragraph of our content.

Where can we find a copy of the materials that a client receives when they purchase TenStep PM Process?



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If a company licenses TenStep without PortalStep, then they get a welcome email with their username and password. They can access the entire website online or download what they want to their internal servers. They can download all templates from the online template library. We do not ship any license product other than our PortalStep product. Everything is available and downloadable by the client on the website.

I noticed that there are different types of licenses (browse, consultant etc). The UFOC states that the consultants can get a license to TenStep products and actually compete with me for the similar business.

Consultant can request a license to our products. If the request is from your territory, we will forward the request to you for your follow-up. However, we ask that you not look at consultants as competitors. Think of them instead as potential collaborators. You should contact these people and cultivate them as a potential lead-generator and a potential consultant for your business. These people are interested in TenStep. You should figure out ways to bring them into your business and look for ways to collaborate with them.

From a practical standpoint, we sell maybe 75 consultant licenses per year around the world, so the chances are you will not have any (or many) in your market. Perhaps you will wish there were more. They can help you grow your business.

How do I license individuals/consultants who are interested in working with me and signing up for a TenStep license?

These people need access if they are to represent our products and services. You decide what access they need and let us know. If these people need a license for their own business and they are not working for you, then you can decide what the license fee should be. If they work for you, there is no license fee. Let us know their relationship to you, contact information, and the products and libraries they need access to. We will send you the proper username/passwords.

Other Products and Services

OPM3 - would you provide some guidance on when a company may be interested in this or how we decide when to offer this? That is, since these are larger services, a company may not want to choose to invest the time and cost in this unless they have some understanding of these. These do not appear to be "foot in the door" approaches, as a project audit could be, due to time and cost.

It will be hard to "sell" OPM3 services to companies that do not already have an interest. We should make companies aware of our ability to perform organization assessments using our TenStep/PMOStep model, but also a formal OPM3 assessment. I would expect that companies that are interested in an organization assessment would be candidates to sell OPM3. I think it will be very difficult to sell OPM3 to a company that is not already in the mindset of needing to assess their organization.

Franchise Network



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Will TenStep, Inc. provide marketing tools, such as market surveys and statistics on customer types, business areas, etc.?

Our Partners have access to a web directory containing standard emails, standard license agreements, marketing information, web passwords, product logos and other helpful information. We also keep statistics on the types of companies that buy licenses from us. We do not have market surveys.

How do you determine the amount of royalties you collect from your Franchises?

- Services - 5% of all service revenue (gross, not net) the office makes
- TenStep licenses and products - 5% royalty based on list price. For example, the office can give-away a company license but they still owe a royalty of 5% of list.
- Third-party licenses and products - deduct and pay us the third-party fee (which we pay to the third party) and then pay us 5% of the remaining revenue. (This includes TenStep PB, Lessons in Project Management, and many products from the TenStep Store.)

When do I report my revenue in my monthly Status Report?

If you are running your business as a cash business then you report revenue when it is received and pay 5%. Otherwise you will report it when you invoice your client and pay 5% at that time.

When were your company and its Partners set up?

The TenStep Project Management Process was first established in May 2000. TenStep, Inc. was officially incorporated in January 2002. Our first four Partners were set up in late 2002 and the middle of 2003, and we have grown from there.

How can the Partners cooperate with each other? An example might be the situation of a multinational company with branches in many countries. Is there any kind of cooperation within TenStep's Partner network?

Our intent is to be able to support multinational companies with our network of Partners. When the opportunities arise, you can contact us, or you can contact the other Partners directly. They are willing to work together whenever possible.

What other details can you share with me?

Actually - not much more. The purpose of this FAQ document is to give you a high-level overview of what this Local Office Program is all about. Most of the business model, financial arrangements, Operations Manual, etc. are proprietary, and will be discussed under non-disclosure.

If this sounds like a program you would like to pursue, [complete the quick registration form on the bottom of the webpage](#) so that we can contact you and start the process.